

14 September 1953

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MEMORANDUM FOR: CHIEF OF ADMINISTRATION, DD/P
ATTN: [REDACTED]

SUBJECT : EE Division Concurrence in "Survey Report of the
[REDACTED]/EE/Admin" Contained in Memorandum
for Acting Deputy Director, Administration, from
[REDACTED] Assistant Management Officer, DD/A,
dated 8 September 1953

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1. With respect to the conclusions and recommendations set forth in the subject survey, [REDACTED] Chief, EE Division Personnel Section and I have reviewed the recommendations with [REDACTED] and with [REDACTED], Plans, Research and Development Staff, Personnel Office, DD/A, with the following determinations: 25X1A9a

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- a. With respect to the recommendation at paragraph 5a: Concur, with the reservation that paragraph 4a(3)(c) not be considered a Personnel function, but, rather, a Training Section function of the EE Division.
- b. With respect to the recommendation at paragraph 5b: Concur fully, with your understanding that the basis of an adequate, accurate and effective records system is the possession of a firm Headquarters and field T/O.
- c. With respect to the recommendation at paragraph 5c: Concur, with the apprehension that ultimate elimination of personnel files at Division level will seriously bottleneck Division personnel management until such time as the Personnel Office is prepared to render prompt delivery service on official personnel files.
- d. With respect to the recommendations at paragraph 5d and 5e: Concur, and having obtained your verbal

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approval to do so, will implement this work transfer from EE Division to MPD preliminary to any overall OS/P adoption of this recommendation for all Area Divisions. Immediate implementation of this recommendation will, of course, stop short of seeking Cable Secretariat assignment of action to MPD. Cable action will be accepted and reassigned by EE to MPD.

- e. With respect to recommendation at paragraph 5f: I should like to point out that while the clerical slots mentioned are currently vacant, this has been due to the failure of Personnel Procurement Division to provide sufficient clerical personnel to the Division, sustaining the requirement for using casual personnel. The positions have been manned by casuals and the Division is convinced that any re-evaluation, after the current work load levels off, will justify the retention of these positions. No objection to the release of the military personnel officer position after proof that the new system has reduced the EE Division work load proportionately.

2. In my opinion, the organization chart and T/O of the Personnel Section at Tab A require certain adjustments. The Assistant Chief position should be upgraded to GS-12. I do not think that the senior records position can be effectively manned with a GS-7. The position was down-graded from GS-9 by the Classification and Wage Division. In such down-grading, I believe that the Classification and Wage Division de-emphasizes a very important function.

3. I realize that in the time allotted to a survey of this scope, several important areas of personnel management cannot be examined. I recommend that any re-survey, on a more leisurely basis, be aimed at certain of the larger problems. For example, I believe that the EE Division has surrendered to the [REDACTED] a function which is properly that of the Headquarters Division, the DD/A support Offices and the Personnel Office. Specifically this would be the final authority for placement of field personnel. This authority should be reinvested in Headquarters; by regulation, if necessary. The responsibility now rests with the [REDACTED] because it insisted upon having such authority. On a true career management basis, however, the authority should not be left in the field, but, rather, should be incorporated as

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a responsibility of the Career Service Boards and the Headquarters offices. Whereas COMMO enjoys complete freedom in the assignment of its personnel, this is not true of the other support arms, namely, TSS, SO, CFD and Logistics. Cable (IN 17311) is a case in point. In this cable the Mission, before making a decision on a GS-7 fiscal clerk, states, "Prior to decision, desire identity and job background sketch." My point is that the Mission is not as competent, or at least it should not be as competent, as the Chief, Finance Division to judge the technical qualifications of the candidate. The same would be true of a TSS, an SO or a Logistics careerist. I believe that Finance Division is capable of making the final selection and assignment of its personnel and in managing its own rotation and career development program. I believe that the TSS Senior Staff is equally capable of assuming this responsibility. The same is true of the Security Office. As with COMMO, I believe that Finance Division, Security Office and TSS should manage their own personnel programs with a minimum of Area Division coordination. With respect to the Logistics Office, I would want to withhold judgment until the Logistics Office has gained greater experience in a world-wide personnel management program. I see no reason why that program should not eventually be on the same footing with COMMO. The reason the Logistics Office could not fully implement its program at this time is that it does not have its own career men in all of the key logistics positions in the field. I think it eventually should have its own career personnel in these positions, at which time its personnel management program could be made entirely effective at both ends of the pipeline.

4. I believe that the subject survey should have uncovered the fact that the EE Division presently is cutting all personnel actions for its overseas establishment regardless of the Headquarters echelon involved. Since this is unnecessarily burdening the Division, I believe that the new field T/O should be established as a [REDACTED] T/O with annexes for DDI, Auditor-in-Chief, SWPE, COMMO, SE and SR Divisions. At this point, I think those elements, given their own T/O numbers, should cut and process their own actions. Eventually, I think that Finance, Security, Logistics and possibly other support elements should have their positions within the [REDACTED] earmarked, and that they in turn should cut and process their personnel actions, reserving to the Area Division the actions of operations and intelligence officers, largely, together with a certain complement of secretarial and clerical personnel. I maintain that, eventually, the Personnel Office should supply all Personnel personnel in precisely the way the Finance Division now supplies Finance personnel. It follows that a Personnel Officer or Clerk, therefore, would not remain identified with any Area Division but, rather, would be absorbed and identified with the career service of the Personnel Office.

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5. A weakness/

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5. A weakness of the subject survey would be its failure to have attacked the problem surrounding the time lag in the processing of personnel actions. It is my belief that these actions are requiring weeks to effectuate, whereas days should suffice. Perhaps, the swing will be projected beyond Area Division procedures and will at that time pick up these over-all deficiencies.

6. I expected the survey to determine the Time and Attendance procedures of the Division, and their effectiveness or need for reform, and the entire problem of the use or misuse of overtime employment.

7. On the whole, I think the survey is very timely, healthy, and constructive and I think that in the time allotted to the survey team, it covered considerable ground with considerable insight and good judgment. I should hope that, when all the Area Division surveys are in, your Office, in concert with the Personnel Office, will carefully weigh those recommendations which represent a majority opinion and will implement these recommendations with a suggested Area Division personnel section organization, complete with job descriptions, a set of standard procedures (in "how to do it" format), and a personnel actions flow chart encompassing the complete personnel management wheel of the CIA Headquarters and its field establishment. I believe that this result would constitute an important and helpful Staff service.

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4 September 1953

MEMORANDUM FOR: Acting Deputy Director, Administration

THRU : Chief of Administration, DD/P

SUBJECT : Survey Report of the [REDACTED] /Sr/Admin. 25X1A

1. PROBLEM. To re-evaluate [REDACTED] within the
 SE Division with a view toward determining: 25X1A

- a. The appropriate location organizationally for the most economic and efficient performance of essential [REDACTED] functions, and 25X1A
- b. The number of personnel estimated to be required for the performance of such functions.

2. FACTS BEARING ON THE PROBLEM.

- a. This analysis is restricted to the [REDACTED] SE and its relation to the headquarters branches and field stations of the Division, to projects operated by the Division, to present budget and finance procedures, and to an analysis of the work factors of the [REDACTED] 25X1A

- b. Technical aid and advice was given the Management Office in the making of this analysis by [REDACTED] of the Technical Accounting Staff of the Comptroller's Office and [REDACTED] of Finance Division. 25X1A9a 25X1A9a

- c. The [REDACTED] SE has a staff of [REDACTED] regular assigned employees. The Section has accumulated a total of 357 hours of paid overtime during the period of 4 January 1953 to 15 August 1953. The Chief of the Section also stated that an additional estimated 160 hours of overtime (for which no pay was received) was performed during this period. This amounts to a total of 517 hours overtime for the seven and a half months. During this period, however, personnel of the [REDACTED] were away from their duties a total of 223 hours. (Annual leave 162 hours, sick leave 61 hours). 25X1A 25X9

- d. The functions of the [REDACTED] SE are attached to this report. (See Tab A). 25X1A

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- a. In connection with Paragraph h. above, it should be noted that Logistics Office, CIA, is the allottee for all C8 and C9 money (exclusive of off shore procurement) used by the various projects of the Divisions, and it therefore follows that the Logistics Office, CIA is not only responsible for over obligations of the total allotment but also responsible for assuring the Area Divisions that the various types of Equipment and/or Supplies for which the Logistics Office, CIA, has received the money, be delivered to them when requisitioned. Considerable confusion exists as to what type of records are to be maintained by Logistics Office, CIA, and what type will need to be maintained by the various Area Division Administrative Staff Sections. This point has been discussed with Inspection and Review Officer of Logistics Office, CIA and a memorandum for the record was prepared from this discussion. (See Tab B.) This memorandum clearly shows the confusion that

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exists. Since Logistics Office, CIA is the allottee, it would appear that the [redacted] of the Area Divisions would only need to maintain a simple memorandum record on their "authority to withdraw Equipment and/or Supplies". These records would show what amount of equipment has been withdrawn by project and the balance of authority left in the individual projects. It is necessary that immediate steps be taken by the Comptroller's Office, the appropriate element of the DD/P and Logistics Office, CIA, to clarify the confusion that exists concerning the difference between an allotment control procedure and a property authorization control procedure on OS and OS money.

- b. The type of records maintained in the past by recording expenditures and obligations is considered inadequate. The Chief of the Section stated, however, that he has intended installing the New Allotment Control Records as specified in [redacted] dated 10 June 1951, but had not done so because of limitations on the number of personnel available to his Section. Installation of these records, however, were begun during this examination. Past records were not maintained by recording obligations directly from the documents but rather from figures furnished the [redacted] by other Sections of the Division and those obtained from the monthly IBM Machine run furnished by Finance Division. It was also disclosed that obligating documents were leaving the Division without being cleared and recorded by the [redacted]
- c. No actual record of work loads was available in the Section. The following estimate, however, was made by the Chief of the Section as to the apportionment of time of his personnel during a month.

<u>Type of Work Load</u>	<u>Hours per Month</u>
Preparing field sub-allotments	[redacted]
Preparing reports	
Ledger postings	
Approval of funds	
Cables prepared	
Cables and dispatches routed through Section for Concurrence	
Conferences and meetings	
Review of Regulatory Issuances	
Agent duty status reports reviewed	
Maintenance of Taxi fund	
Preparing of travel vouchers	
Preparing of travel orders	
Preparing Request for Advance	
Preparing and Reviewing Claims	

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<u>Type of Work Load</u>	<u>Hours per Month</u>
Maintenance of Time and Attendance Reports	[REDACTED]
Distributing pay checks	
Making log entries	
Review of projects for Administrative Plans	
Preparing Reimbursement Vouchers	
Maintaining pending file on termination dates of Contracts	
Maintaining a correspondence control on finance matters	
Budget preparation	
Administrative Review of Field Station Accountings	
Total	

6. It should be noted that 160 of the 572 hours accounted for in the preceding paragraph was apportioned to "Conferences and Meetings". This amounts to four full weeks per month of one individual's time. It is difficult to understand why so much time must be devoted to conferences and meetings and is assumed that, in order to devote so much time to the function, the personnel in the [REDACTED] are attending meetings, some of which may not be pertinent to the duties of a Division Staff [REDACTED] 25X1A

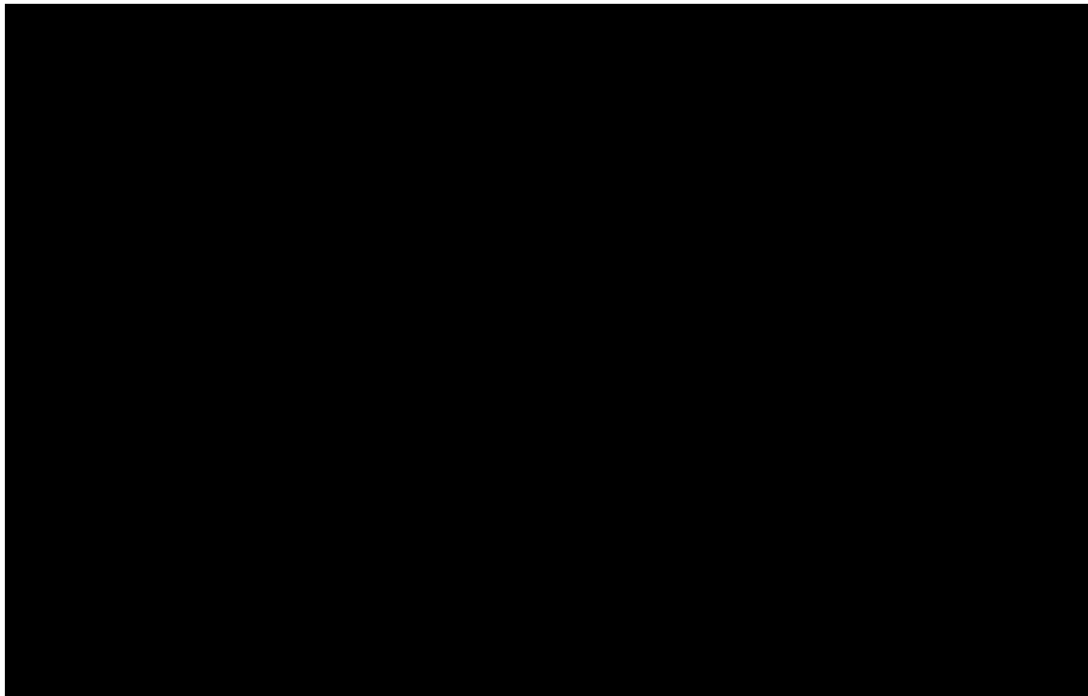
A review of all conferences and meetings should be made by the Chief of the Administrative Staff to determine whether or not all are necessary and if the attendance of personnel of the [REDACTED] is required. During the course of this examination it was necessary for a Staff Agent to be financially briefed away from the building. Personnel of the [REDACTED] attended these briefings. Also in attendance was an individual from the Finance Division who had all the necessary information. It would appear that the financial briefing could be done by the case officer and the representative from the Finance Division. Budget briefing is seldom, if ever, required in these instances. Finance Division states that it will

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be glad to provide personnel to perform this function since their personnel are fully trained in advising field personnel as to what types of reports are required and the exact manner in which they should be submitted.

- e. It is further noted that an estimated forty hours per month is devoted to "Budget preparation". The FI Division has a total annual Budget of approximately [REDACTED] 25X1A1a
The Chief of the Division Personnel Section advised this examiner that the following number of Staff personnel were employed as of 14 August 1953.



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It is difficult to envision an annual expenditure of 480 hours of Budget preparation for this size an operation.

- f. The Chief of the [REDACTED] stated that he 25X1A
performed an "administrative review" of field station accountings, that many were "looked over very closely". The time apportioned to this function was given as 12 hours per month. This "administrative review" closely resembles an audit of these accountings. Although it is recognized that the proper spending of the money allotted to the Division is a function of a [REDACTED] 25X1A
[REDACTED] this examiner wishes to call attention to the fact that the auditing of all accountings, vouchers, etc., is a function of Finance Division and therefore, the Division [REDACTED]
[REDACTED] is performing a duplicating function when it attempts to

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also audit these accountings. A check of the field station accountings of SE Division was made by the Finance Division Certifying Officer. This check was made on all accountings received by them from January 1953 to 25 August 1953. The Certifying Officer stated that, although he remembers several dispatches of an operational nature having been written to the field by personnel of the [REDACTED] SE, only two were of a disallowment nature. He further stated that the search disclosed that Finance Division had also written the field in these two instances. The review performed by the [REDACTED] should be limited to examining

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these accountings from a Managerial Standpoint, to determine that the appropriate allotment account has been charged and that the rate of spending is kept within the appropriate limitations. It therefore appears that the personnel of the Budget and Fiscal Section is spending excessive time on its review of accountings and could best utilize this time in maintaining up-to-date and accurate Allotment Control Records on the funds allotted to the Division Chief, the avoidance of over-obligation of which is his responsibility.

- a. Chief of the [REDACTED] stated that approximately 10% of the travel orders written required amendments. The Chief of Administrative Staff/SE should inform the various Branch Chiefs periodically of any unwarranted offenders.

- b. It was reported that there were instances where field staff employees were improperly charged and many instances were found on Finance Division's June 1953 INM run for the SE Division where charges were made to various allotment numbers which did not exist so far as the Division's records were concerned. The Chief of the [REDACTED] stated that every month charges appear against allotments of which he has no such number, also that there were many instances in the past where the allotment account numbers charged by the [REDACTED] of the Division were changed by Finance Division. Finance Division is aware of this situation and has instructed its certifying Officers that no allotment numbers shall hereafter be changed without the concurrence of the [REDACTED] of the Area Division concerned.

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- i. The Request for Shipment (Form No. 36-4) is currently used to advise the Transportation Division of Logistics Office, CIA, what equipment or supplies are to be moved by a specified method of transportation to a designated destination. The same situation exists within the SE Division as was found to exist in other Divisions previously examined, namely, that under present procedure, it is practically impossible for the Division to liquidate these obligations from the information furnished them by Finance

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Division on the monthly IBM Machine Accounting form. Although attention was called to this in previous reports, the situation is serious enough that it should again be emphasized that unless this problem is resolved either their financial records will be inaccurate or an unnecessary amount of time will have to be expended by personnel assigned to the Area Budget and Fiscal Section to carry out the responsibilities placed on them by paragraph 2 c. of [REDACTED] Dated 30 June 1953. The Comptroller has initiated action to correct this deficiency and has assigned his Technical Accounting Staff to the task.

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- j. An analysis of the work load of the Section disclosed that 40 hours per month was being expended by this Division performing the function of preparing travel vouchers. As recommended in previous reports it is suggested that this function be centralized in Central Processing Branch of the CIA Personnel Office.

- k. An estimated twenty-one hours was expended by personnel of the [REDACTED] on the function of preparing travel orders. It is also believed that the centralization of this function in the Central Processing Branch should substantially reduce the number of people within the Agency performing this function.

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- l. Certain actions on cables and dispatches to the field pertaining to purely technical finance matters have been assigned to Finance Division by [REDACTED] Dated 4 June 1953. These actions are specified as follows:

- (1) Matters pertaining to change of funds custodianship, loss or shortage of funds, preparation or submission of financial accounts, and inquiries concerning the clarification of fiscal regulations or instructions.
- (2) Inquiries or information pertaining to status of payroll, allowances, travel, and other financial accounts; and to deposits, advances, per diem, and personal claims.
- (3) Matters pertaining to leave balances, retirement, tax deductions, designations of insurance and bank allotments or changes thereof.
- (4) Matters pertaining to deduction for hospitalization, life insurance, and Credit Union.

Although Finance Division is assigned the responsibility for action on these matters, it is necessary for Finance Division to forward all these cables and dispatches to the Area Division Budget

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and Fiscal Officer for coordination and release. This procedure imposes a work load on the section (60 hours per month in case of SE Division) that might conceivably be eliminated. In all cases these are technical matters and apparently do not involve operations yet the Budget and Fiscal Officer must read all of these cables and dispatches on which he takes little or no action. It is believed that in the interest of speed and efficiency, consideration should be given the thought of giving releasing authority on purely technical finance dispatches and cables to Finance Division. Since Finance Division currently has the releasing authority on [redacted] cables, ample precedent has been established to adopt the above suggestion.

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- n. The Chief, [redacted] states that ample controls exist within the Division to prevent those documents obligating funds allotted to the Chief of the Division from leaving the Division without proper availability of funds certification.

4. CONCLUSIONS.

- a. Organizationally the [redacted] is appropriately located as a Section of the Administrative Staff of the Division. It is imperative, however, that the Chief of the Administrative Staff is cognizant of the fact that all allotments are made to the Chief of the Area Division and that the primary mission of the [redacted] is to prepare annual budgets, to assure the Chief of the Division that the funds allotted to him will not be over-obligated and Finance activities of an Administrative Staff support nature.

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- b. It does not appear that the correct emphasis is placed on the various duties being performed by the [redacted] of the SE Division. In the performance of the functions and duties, it should always be borne in mind that all activities in addition to those enumerated in the preceding paragraph are secondary.

- c. It should again be stressed that this examiner strongly believes that many inadequacies indicated by this study would have been avoided by an effective inspection program within the Agency. Regulations and assigned functions indicate that the responsibility for conducting this program is that of the Comptroller's office in conjunction with the appropriate elements of the DB/P. Paragraphs 11 a., 11 e., 11 d., and 11 f., of CIA Regulation 2 [redacted] dated 20 March 1951 specify these applicable functions of the Comptroller.

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- d. Although it is understood that consideration is being given to the assignment of one additional individual to the [redacted] of the SE Division, it is believed that the facts presented

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in this study do not apparently warrant the assignment of over three positions to the Section at the present time and further that after acceptance and installation of recommendations (8) and (9) below, the Section can effectively discharge its primary mission with a T/O of two.

5. RECOMMENDATIONS.

a. It is recommended that:

- (1) Instructions be given the various elements of CIA relative to procedures, types of records to be maintained and general explanations regarding the difference between an allotment control procedure and a property authorization control procedure of O8 and O9 funds. This situation again demonstrates the need for centralized training on [REDACTED] matters and it is again desired to call attention to the following recommendation made in a memorandum from this examiner to the Comptroller dated 29 July 1953: 25X1A

"The Comptroller should request the Director of Training to establish a short concise course of instruction for the Budget and Finance Officers of the various elements of CIA and request all allottees to make their Budget and Finance Officers available for such instruction. The Comptroller's office in conjunction with the Director of Training should design the course and the types of forms to be used. This will have the effect of eventually standardizing within all elements of CIA the accounting systems and forms approved by the Comptroller." 25X1A

- (2) Names such as "Budget Office", [REDACTED] are applied to those Sections of the Administrative Staff of the various Area Divisions performing Budget, fiscal and finance functions. Since the terminology "Budget and Fiscal Officers" is used in Regulations [REDACTED] it is recommended that, in the interest of standardization, the terminology [REDACTED] be used throughout the Area Divisions of the DD/P when referring to these sections. 25X1A

- (3) All future Allotment Control Records be maintained by posting direct from obligating documents.
- (4) Chief of Administrative Staff make a review of all conferences and meetings currently being attended by personnel of the [REDACTED] in order to determine whether or 25X1A

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not the attendance of [REDACTED] personnel is essentially necessary. 25X1A

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- (5) The [REDACTED] cease its efforts to pre-audit station accountings.
 - (6) The Personnel Section of the Administrative Staff periodically check the Division payroll to determine whether or not the field staff employees are properly charged.
 - (7) All transportation charges exclusive of those necessary for the movement of personal effects be charged against one allotment.
 - (8) The preparation of travel vouchers for staff employees of all elements of CIA be centralized in the Central Processing Branch of the Personnel Office, CIA.
 - (9) The functions of preparing travel orders be withdrawn from all Area Divisions and Staff elements of the DD/P and assigned to the Central Processing Branch. This centralization would reduce not only the number of amendments to travel orders now being prepared and thereby reduce the number of personnel necessary to perform this function but also the number of electric typewriters now needed in the DD/P element.
 - (10) Until such time as recommendation (9) above be adopted and installed, those Division elements responsible for initiating a request for travel orders be instructed to be as exact and specific as possible in their initial request and thereby decrease the number of travel order amendments.
 - (11) Releasing authority on dispatches and cables to the field pertaining to purely technical finance matters as specified in [REDACTED] dated 4 June 1953 be delegated to Chief of Finance Division.
 - (12) The Comptroller's office in conjunction with the appropriate element of the DD/P institute a more effective inspection and audit program whereby all Area Division [REDACTED] will be periodically inspected and audited. 25X1A
 - (13) The elements of the DD/P and Office of the Comptroller place more emphasis on its attempt to work out a uniform method of identifying obligations and expenditures.

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(14) The T/O of the [REDACTED] be limited to [REDACTED] people until such time as Recommendations (8) and (9) are accepted and installed at which time it may be reduced [REDACTED]

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Management Examiner

Attachments:
Tabs A and B

TECHNICAL ADVISORS:

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[REDACTED]
Chief of Finance Division Representative

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[REDACTED]
Technical Accounting Staff
Office of the Comptroller

CONCURRENCE:

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[REDACTED]
Comptroller's Office Representative

APPROVED:

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[REDACTED]
Assistant Management Officer, DD/A
(For the Clandestine Services)

W. L. PERL
Management Officer, DD/A

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